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N° 114 – April/Mid-May 2009

GENERAL INTEREST

The Federal Government's Role in Empowering Americans to Make Informed Financial Decisions

U.S. Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia – Hearing – April 29, 2009
<http://hsgac.senate.gov/public/index.cfm?Fuseaction=Hearings.Detail&HearingID=1d25ae0e-9376-4c76-b201-f5477ee90dae>

“Government and private studies, statistics, and national surveys indicate that far too many Americans of all ages lack the knowledge and skills necessary to make informed decisions regarding their personal finances. Without a sufficient understanding of economics and personal finance, individuals will not be able to manage their finances appropriately, effectively evaluate credit opportunities, successfully invest for long-term financial goals, or be able to cope with difficult financial situations. This hearing will review the progress of the activities of the Financial Literacy and Education Commission, and examine the effectiveness of federal financial education programs.”

ECONOMIC OUTLOOK

Hudson Institute Economic Report

Hudson Institute – Report – May 15, 2009 – 15 pages
http://www.hudson.org/files/publications/Hudson_Econ_Rpt_05.15.09.pdf

“Although the housing markets and the financial sector show signs of stabilizing, American consumers aren't yet ready to spend. This is natural because they are shellshocked by declines in retirement portfolios and housing prices and worried about whether they will lose their jobs. And recovery won't come along until pending happens.”

Donald J. Boyd and Lucy Dadayan

Sales Tax Decline in Late 2008 Was the Worst in 50 Years

The Nelson A. Rockefeller Institute of Government - April 2009 – 22 pages
[http://www.rockinst.org/pdf/government_finance/state_revenue_report/2009-04-14-\(75\)-state_revenue_report_sales_tax_decline.pdf](http://www.rockinst.org/pdf/government_finance/state_revenue_report/2009-04-14-(75)-state_revenue_report_sales_tax_decline.pdf)

“Forty-one of the 50 states experienced declining revenues, with the Far West region suffering the most. Sales taxes, which are usually the largest or second-largest source of state tax revenue, suffered a 6.1 percent decline. Including those collected by local governments, the sales tax showed its weakest performance in 50 years.”

Dimitri B. Papadimitriou

Recent Rise in Federal Government and Federal Reserve Liabilities: Antidote to a Speculative Hangover

The Levy Economics Institute of Bard College – Strategic Analysis – April 2009 – 4 pages

http://www.levy.org/pubs/sa_apr_09_2.pdf

“Federal government and Federal Reserve (Fed) liabilities rose sharply in 2008. Who holds these new liabilities, and what effects will they have on the economy? Some economists and politicians warn of impending inflation. In this new Strategic Analysis, the Levy Institute’s Macro-Modeling Team focuses on one positive effect—a badly needed improvement of private sector balance sheets—and suggest some of the reasons why it is unlikely that the surge in Fed and federal government liabilities will cause excessive inflation.”

How Unfair Credit Card Practices Are Squeezing Consumers and Undermining the Recovery

U.S. Congress, Joint Economic Committee – Report – May 12, 2009 – 25 pages

http://jec.senate.gov/index.cfm?FuseAction=Reports.Reports&ContentRecord_id=355f9ac1-5056-8059-76d9-8b95b3c0a95b&Region_id=&Issue_id=

“The credit card provisions that the Federal Reserve have identified as unfair, deceptive, and anticompetitive are not only sending American families further into debt, but standing in the way of economic recovery. The economic downturn and financial crisis have accelerated the adverse impacts of these practices on consumers, small businesses and our economy as a whole.”

Christian E. Weller, Jessica Lynch

Household Wealth in Freefall

Center for American Progress – Report - April 23, 2009 – 16 pages

http://www.americanprogress.org/issues/2009/04/pdf/wealth_declines.pdf

“During the financial and economic crisis of 2007 and 2008, families saw their wealth disappear faster than ever before. The sharp losses following the sharp declines in the housing and stock market require action. Importantly, in an era of fewer employer-provided benefits and less long-term government support for income insurance (Social Security, welfare, and unemployment insurance, among others), private wealth plays a more important role than in the past. Rebuilding these losses to family wealth will require public policy attention. “

Rania Antonopoulos

The Current Economic and Financial Crisis: A Gender Perspective

The Levy Economics Institute – Working paper – May 2009 – 44 pages

http://www.levy.org/pubs/wp_562.pdf

“Widespread economic recessions and protracted financial crises have been documented as setting back gender equality and other development goals in the past. In the midst of the current global crisis—often referred to as “the Great Recession”—there is grave concern that progress made in poverty reduction and women’s equality will be reversed.”

STRATEGIES FOR ECONOMIC RECOVERY

Risk, Reward and the Road to Economic Recovery

U.S. Economy, U.S. Financial Market Regulation, Financial Markets, Financial Institutions, Corporations

The Brookings Institution – Event – April 20, 2009 – 109 pages

http://www.brookings.edu/events/2009/0420_risk_reward.aspx

“As the policy response to the economic crisis moves from short-term solutions – corporate bailouts and economic stimulus – to longer-term fixes like financial market regulatory reform, it becomes increasingly important that policy-makers move beyond finger-pointing. Moving the economy toward sustainable long-term economic growth will require a more complete understanding of not only the root causes of the economic crisis, but both how it spread first to the financial sector and then to the real economy.”

Marshall Auerback

The Return of the State: the New Investment Paradigm

Levy Economics Institute of Bard College - May 2009 – 15 pages

http://www.levy.org/pubs/wp_561.pdf

To save America and the global economy as a whole, the private/public sector balance has to shift, and the neoliberal economic model on which the country has been based for the past 25 years has to be modified. In the working paper, Marshall Auerback details why the role of the state needs to be reemphasized.

Paul Weinstein Jr. and Marc Dunkelman

Moving Houses: How Sparking a Housing Recovery is the Key to America's Economic Recovery

Democratic Leadership Council - Policy Report - May 4, 2009 – 10 pages

http://ndol.org/documents/Moving_Houses.pdf

“In the nation's history, a downturn in the housing industry has often sent the rest of the economy into a tailspin, and that may be one reason so many economists feared broader implications when the housing bubble first began to burst. But, less frequently noted, and just as important, when the housing market turns around, other sectors frequently recover soon thereafter. In fact, the turning point in five of the last seven recessions has been marked by the moment housing sales began to swing up again.”

Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009

Executive Office of the President of the United States - May 11, 2009 – 12 pages

http://www.whitehouse.gov/assets/documents/Job-Years_Revised5-8.pdf

The report details how the Administration will measure progress creating and saving jobs under the Recovery Act. Work began on the methodology in the earliest days of the Administration and within days of the Recovery Act being signed into law, Chairman Romer met with top economists from numerous agencies to develop a simple, conservative and accurate model for measuring progress. The model pairs a macro approach based on projected and actual spending with direct reporting by recipients to improve the level of accuracy.

Recovery and Reinvestment Spending: Implementing a Bold Oversight Strategy

U.S. Senate Committee on Homeland Security and Governmental Affairs – Hearing - April 2, 2009

<http://hsgac.senate.gov/public/index.cfm?Fuseaction=Hearings.Detail&HearingID=958e3a6c-c655-4ea0-97f0-9f8d90eddd1>

Witnesses:

The Honorable Robert L. Nabors II, Deputy Director, Office of Management and Budget

The Honorable Earl E. Devaney, Chairman, Recovery Accountability and Transparency Board

“Americans want the Recovery Act to succeed – need it to succeed so it can save or create 4 million jobs and get our economy growing again. But if Americans start hearing stories about how their money being wasted on pet projects or funneled to favorite contractors or flat out lost to fraud or theft, faith in

government at all levels and support for the overall program will erode – no matter that other parts of the program are successful.”

Recovery Act: As Initial Implementation Unfolds in States and Localities, Continued Attention to Accountability Issues Is Essential

GAO – Report – 303 pages - April 2009

<http://www.gao.gov/new.items/d09580.pdf>

“The American Recovery and Reinvestment Act of 2009 (Recovery Act) is estimated to cost about \$787 billion over the next several years, of which about \$280 billion will be administered through states and localities. The Recovery Act requires GAO to do bimonthly reviews of the use of funds by selected states and localities. In this first report, GAO describes selected states’ and localities’ (1) uses of and planning of Recovery Act funds, (2) accountability approaches, and (3) plans to evaluate the impact of funds received.”

Follow the Money: State and Local Oversight of Stimulus Funding

U.S. Senate Committee on Homeland Security and Governmental Affairs – Hearing – April 23, 2009

<http://hsgac.senate.gov/public/index.cfm?Fuseaction=Hearings.Detail&HearingID=4e9dab18-08de-4424-b550-32738fdadc14>

Witnesses:

Gene L. Dodaro, Acting Comptroller General, U.S. Government Accountability Office

Raymond C. Scheppach, Ph.D., Executive Director, National Governors Association

Carolyn M. Coleman, Director, Federal Relations, National League of Cities

This hearing is intended to monitor how effectively and efficiently the money is being spent and make sure it is doing the job we intended it to do – breath life back into the economy.

Daniel Wilson

Are Fiscal Stimulus Funds Going to the “Right” States?

Federal Reserve Bank of San Francisco's – April 17, 2009 – 4 pages

<http://www.frbsf.org/publications/economics/letter/2009/el2009-14.pdf>

“Are federal stimulus funds are heading to those states best positioned to put the money to good use right away? This Letter compares the degree of economic need in different states with each state's expected share of funds from the American Recovery and Reinvestment Act of 2009.”

Leveling the Playing Field: Curbing Tax Havens and Removing Tax Incentives for Shifting Jobs Overseas

The White House - May 4, 2009

http://www.whitehouse.gov/the_press_office/LEVELING-THE-PLAYING-FIELD-CURBING-TAX-HAVENS-AND-REMOVING-TAX-INCENTIVES-FOR-SHIFTING-JOBS-OVERSEAS/

President Obama and Secretary Geithner unveil two components of the Administration’s plan to reform U.S.’s international tax laws and improve their enforcement. First, there’s a call for reforms to ensure that its tax code does not stack the deck against job creation in the States. Second, they seek to reduce the amount of taxes lost to tax havens, either through unintended loopholes that allow companies to legally avoid paying billions in taxes, or through the illegal use of hidden accounts by well-off individuals.

ECONOMIC AND FINANCIAL CRISIS

Two Views on the Cause of the Global Crisis: Parts I and II

Yale Global - May 4, 2009

<http://yaleglobal.yale.edu/display.article?id=12327>

The first view contends that income inequality and speculative investment by the rich and poor in America led to financial meltdown. On the other hand, the second view contends that the twin excesses, financialization and globalization, caused the crash.

Dick K. Nanto

The Global Financial Crisis: Analysis and Policy Implications

Congressional Research Service – April 3, 2009 – 109 pages

http://assets.opencrs.com/rpts/RL34742_20090403.pdf

“What began as a bursting of the U.S. housing market bubble and a rise in foreclosures has ballooned into a global financial and economic crisis. The world now appears to have entered a global recession that is causing widespread business contraction, increases in unemployment, and shrinking government revenues...”

Barry P. Bosworth, Senior Fellow, Aaron Flaaen

America's Financial Crisis: The End of an Era

The Brookings Institution - April 14 – 38 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/0414_financial_crisis_bosworth/0414_financial_crisis_bosworth.pdf

“Over the past quarter century, American economists and policymakers have been very active in providing policy advice to other countries about how to avoid and/or manage financial crises. In many cases the essence of the advice was ‘you should be more like us.’ Suddenly, the United States has been hit by its own financial crisis – one that is extraordinary in both its breadth and severity. This paper summarizes some research on the origins of the crisis, traces the evolution of the credit panic that hit in late 2008, its impact on the real economy, and the extraordinary policy actions that have been taken to mitigate the economic losses.”

The Effect of the Lehman Brothers Bankruptcy on State and Local Governments

U.S. House Committee on Financial Services – Hearing - Tuesday, May 5, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/fchr042909.shtml

This hearing discusses the financial losses of the public entity victims of the Lehman bankruptcy, called by Chairman Frank the “unfair victims of this financial crisis”.

WORLD CRISIS

Arvind Subramanian, John Williamson

The World Crisis: Reforming the International Financial System

Peterson Institute on International Economics – Paper – April 8, 2009 – 7 pages

<http://www.petersoninstitute.org/publications/papers/subramanian-williamson0309.pdf>

Some of us thought that a number of the crises of recent decades (notably the East Asian crisis) better reflected the inadequacies of the financial system than of the victims. This time around no one doubts that the blame lies with the financial system and those who have operated it. Preventing a recurrence of this type of crisis, which is a quite different exercise from overcoming the present crisis, accordingly demands reforms to the financial system. The question discussed in this essay is: What reforms? What needs to change?

M. Ayhan Kose, Eswar Prasad, Kenneth Rogoff, Shang-Jin Wei

Financial Globalization and Economic Policies

The Brookings Institution – Global working paper – April 2009 – 80 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/04_financial_globalization_prasad/04_financial_globalization_prasad.pdf

“This paper reviews the large literature on various economic policies that could help developing economies effectively manage the process of financial globalization.”

Jan Kregel

Managing the Impact of Volatility in International Capital Markets in an Uncertain World

The Levy Economics Institute of Bard College - Working Paper No. 558 – April 2009 – 24 pages

http://www.levy.org/pubs/wp_558.pdf

“International financial flows are the propagation mechanism for transmitting financial instability across borders; they are also the source of unsustainable external debt. Managing volatility thus requires institutions that promote domestic financial stability, ensure that domestic instability is contained, and guarantee that international institutions and rules of the game are not themselves a cause of volatility.”

Wayne M. Morrison

China and the Global Financial Crisis: Implications for the United States

Congressional Research Service – April 2, 2009 – 10 pages

http://assets.opencrs.com/rpts/RS22984_20090402.pdf

“The current global financial crisis threatens to significantly slow China's economy. Several Chinese industries, particularly the export sector, have been hit hard by crisis, and millions of workers have reportedly been laid off...”

Scott Lilly

Should We Be Grateful to China for Buying U.S. Treasuries?

Center for American Progress – Report - April 1, 2009 - 24 pages

http://www.americanprogress.org/issues/2009/04/pdf/lilly_china_report.pdf

“China has played a central role in the growth of U.S. trade deficits, and that role has grown steadily more important with the passage of time. China has accounted for 60 percent of the growth in the trade deficit since 2000. A realignment of the economic relationship between the United States and China will eventually be forced by the fundamental unsustainability of the status quo. Yet a precipitous realignment will be extremely painful to the economic wellbeing of both countries and the world economy, as well. If steps are taken now to rebalance the relationship the course forward can be much smoother and living standards in both countries will be placed at substantially less risk.”

Maurice Obstfeld

Time of Troubles: The Yen and Japan's Economy, 1985-2008

National Bureau of Economic Research - March 2009 – 91 pages

<http://www.nber.org/papers/w14816.pdf>

“The paper explores the links between macroeconomic developments, especially monetary policy, and the exchange rate during the period of Japan's bubble economy and subsequent stagnation. It emphasizes the interaction of short-term developments driven by monetary factors and the long-term determinants of the real exchange rate's equilibrium path. Since the mid-1990s, the yen's real exchange rate has generally followed a depreciating trend and Japan's comprehensive terms of trade have deteriorated, according to the paper.”

FINANCIAL REFORMS

Jane D'Arista

Rebuilding the Framework for Financial Regulation

Economic Policy Institute – Briefing Paper No.231 – May 1, 2009 – 20 pages

http://epi.3cdn.net/878d45bddadc3a4305_0vm6iiofp.pdf

“The first section of this paper describes some of the problems widely viewed as having contributed to the financial crisis and evaluates proposals to address them using two criteria: comprehensiveness and counter cyclicity. The second section analyzes proposals for reforming the architecture of the U.S. financial system and discusses issues such as the role of state regulators and financial guaranties that are also seen as needing consideration. The final section of the paper argues that re-forging the link between monetary policy and the real economy will require expanding the central bank’s influence to the system as a whole and describes the quantitative tools needed to rebuild countercyclical monetary capacity to ensure that the Fed can effectively fulfill its stability mandate.”

William R. Cline, Thomas Emmons

Economics of the Geithner Plan

Peterson Institute for International Economics – Paper – April 1, 2009 – 8 pages

<http://www.petersoninstitute.org/publications/papers/cline-emmons20090401.pdf>

“The Private-Public Investment Program (PPIP), or “Geithner Plan,” would ironically use financial leverage to help resolve a financial crisis caused in considerable part by excessive leverage. As Robert Samuelson, citing Yale economist John Geanakoplos, has pointed out, a rationale for this paradox is that the process of deleveraging has gone too far in the opposite direction as loanable funds for leveraged investment have dried up.”

Michael Ettlinger, Andrew Jakabovics, and David Min

Recommendations for the Public- Private Investment Program: Implementing the Treasury Department’s Plan to Clean up the Toxic Asset Mess

Center for American Progress - April 2009 – 18 pages

<http://www.americanprogress.org/issues/2009/04/pdf/ppip.pdf>

This report discusses how to implement the Treasury Department’s Public-Private Investment Plan.

H. Peyton Young

Why Geithner’s Plan is the Taxpayers’ Curse

The Brookings Institution – April 1, 2009 - 5 pages

http://www.brookings.edu/opinions/2009/~/_media/Files/rc/papers/2009/0327_geithner_plan_young/0327_geithner_plan_young.pdf

“People who outbid others in an auction often pay too much, a phenomenon known as the winner’s curse. The flip side of the winner’s curse is that the seller realizes a windfall. The Geithner proposal for pricing toxic assets is a peculiar type of auction in which the taxpayer is cursed by competition among the buyers. The more that investors compete, the lower are the expected returns for the taxpayers. Naturally, the windfall goes to the banks.”

Melissa Koide

The SAFE-T Account - A Proposal to Deliver a Low Cost, High Value Transaction and Savings Account at Tax Time

New American Foundation – April 2009 – Issue Brief - 18 pages

http://www.newamerica.net/files/SAFE-T_Long_4-09.pdf

“Over the past two decades, policymakers, academics, and others have pursued an array of policies and strategies to help lower and middle income households build savings and assets and access reasonably-priced financial products at mainstream institutions. While some progress has been made, there have been few advances in delivering a high-value, affordable financial product at scale. To build on the financial innovations offered by prepaid products, leverage the billions of dollars in annual tax refunds, and harness the bargaining power of the federal government, this paper proposes the delivery of a Savings and Financial Electronic Transaction Account—or SAFE-T Account—at tax time.”

W. Scott Frame

The 2008 Federal Intervention to Stabilize Fannie Mae and Freddie Mac

Federal Reserve Bank of Atlanta Working Paper 2009-13 – April 2009 – 29 pages

<http://www.frbatlanta.org/filelegacydocs/wp0913.pdf>

The U.S. mortgage giants Fannie Mae and Freddie Mac required government intervention in the wake of the subprime mortgage crisis. The author looks at the sources of their instability and the effectiveness of government actions.

H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009

House Committee on Financial Services - Full Committee Hearing - Thursday, April 23, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/hr041609.shtml

Many witnesses from all backgrounds.

Perspectives on Hedge Fund Registration

House Committee on Financial Services – Hearing - May 7, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/hr05072009.shtml

“Today, we will examine one sector of our markets in need of greater oversight: hedge funds. Our singular focus on hedge funds at this hearing, however, should not be taken to mean that we will not revisit the need for oversight of other pools of unregulated capital, including private equity and venture capital... As has happened many times before, this latest financial crisis has revealed that our system of capitalism cannot thrive without a responsible and thoughtful degree of transparency. The question before us today is how Congress can wisely improve hedge fund oversight.”

BANK BAILOUTS

Douglas J. Elliott

Bank Nationalization: A Survival Manual?

The Brookings Institution – April 21, 2009 – 33 pages

http://www.brookings.edu/papers/2009/~media/Files/rc/papers/2009/0421_bank_nationalization_manual_elliott/0421_bank_nationalization_manual_elliott.pdf

“This paper presents a “survival manual,” with suggestions for minimizing the damage from nationalization. Examining the practical issues should also make clear why nationalization is a choice to be avoided, if possible.”

Vern McKinley, Gary Gegenheimer

Bright Lines and Bailouts - To Bail or Not To Bail, That Is the Question.

CATO Institute – Trade Policy Analysis - April 21, 2009 – 40 pages

<http://www.cato.org/pubs/pas/pa-637.pdf>

This present crisis has demonstrated that undertaking bailouts of troubled institutions is a process for which government is ill-suited. In a new study, authors Vern McKinley and Gary Gegenheimer argue “These bailout powers should be revoked... The ultimate answer is to place troubled institutions into receivership or the relevant form of bankruptcy – including many of the institutions that have already been bailed out”.

Too Big to Fail or Too Big to Save? Examining the Systemic Threats of Large Financial Institutions

U.S. Congress Joint Economic Committee – Hearing – April 21, 2009

http://jec.senate.gov/index.cfm?FuseAction=Hearings.HearingsCalendar&ContentRecord_id=c89b185b-5056-8059-7670-0ce56df64713&Region_id=&Issue_id=

Witnesses:

Simon Johnson, Ronald A. Kurtz Professor of Entrepreneurship, MIT

Joseph Stiglitz, Nobel Prize recipient 2001; Professor, Columbia University

Thomas M. Hoenig, President, Federal Reserve Bank of Kansas City

“At the hearing, entitled “Too Big to Fail or Too Big to Save? Examining the Systemic Threats of Large Financial Institutions,” economists including Joseph Stiglitz and Simon Johnson focused on new policy responses to failures at large financial institutions. The hearing examined what criteria policymakers and regulators should use to determine when institutions pose systemic risk – at what point financial firms become ‘too big to fail’ – and how regulators should deal with them when they are insolvent.”

Regulating and Resolving Institutions Considered ‘Too Big to Fail’

U.S. Senate Committee on Banking, Housing, and Urban Affairs – Hearing - Wednesday, May 6, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=7d66a948-69e4-407e-a895-04cec6a4f541

Witnesses:

Honorable Sheila C. Bair, Chairman, Federal Deposit Insurance Corporation

Mr. Gary Stern, President, Federal Reserve Bank of Minneapolis

Mr. Peter Wallison, Arthur F. Burns Fellow, American Enterprise Institute

Honorable Martin Baily, Senior Fellow, Economic Studies, The Brookings Institution

Mr. Raghuram G. Rajan, Eric J. Gleacher Distinguished Service Professor of Finance, University of Chicago Booth School of Business

INSURANCE

How Should the Federal Government Oversee Insurance?

U.S. House Committee on Financial Services, Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises – Hearing - May 14, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/hrcm051409.shtml

“The current financial crisis can at least partly be traced to failures or holes in the financial regulatory structure. This has given increased urgency to calls for overall regulatory changes and federal oversight of insurance. While insurers in general have appeared to weather the crisis reasonably well so far, the insurance industry has seen significant failures.”

John Whalley and Yufei Yuan

Global Financial Structure and Climate Change

National Bureau of Economic Research - April 2009 – 25 pages

http://www.nber.org/papers/w14888.pdf?new_window=1

“The paper analyzes the medium to long-term implications of global warming for the evolution of global financial structures. The paper suggests that, with modest climate changes of 1-2 degrees C, the global insurance market will expand dramatically. However, under more extreme climate change scenarios, the entire global financial structure will undergo major changes, towards a focus on insurance arrangements and the diversification of risks associated with climate change.”

INDUSTRY

Manufacturing and the Credit Crisis

U.S. Senate Committee on Banking, Housing and Urban Affairs – Hearing – May 13, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=f558fda0-93fa-4418-ba09-debd1907d69c

Witnesses:

Mr. Leo Gerard, President, United Steelworkers

Mr. David Marchick, Managing Director, The Carlyle Group

Mr. Eugene Haffely, CEO, Assembly and Test Worldwide, Inc.

Lieutenant General Larry Farrell, (USAF, Retired) President, National Defense Industrial Association

Mr. William Gaskin, President, Precision Metalforming Association

Manufacturing is integrally tied to U.S. prosperity. It accounts for 12 percent - \$1.6 trillion - of U.S. Gross Domestic Product (GDP). It accounts for nearly three-fourths of the nation's research and development. Yet today we are facing an economic challenge few among us have witnessed and our manufacturing sector is in crisis. On Friday, the Labor Department reported the loss of 539,000 jobs in April, including 149,000 in manufacturing.

Robert E. Scott

Invest in America - Essential policies needed to secure U.S. jobs and broadly shared prosperity in the auto industry

Economic Policy Institute – Briefing Paper – April 8, 2009 – 13 pages

http://epi.3cdn.net/c490c26a27c92c8fa7_nbm6bhndc.pdf

This paper reviews recent trends in auto production and in trade in vehicles and parts in North America and demonstrates that GM and Chrysler are planning to rapidly shift additional production to Mexico. To address this shift, the Obama administration and Congress should adopt three policies as a part of any auto restructuring plan: cap imports, stabilize domestic content and reform labor rights in Mexican auto assembly plants.

Auto Industry: Summary of Government Efforts and Automakers' Restructuring to Date

GAO – Report - April 23, 2009 – 48 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-09-553>

“To help stabilize the U.S. auto industry and avoid disruptions that could pose systemic risk to the nation's economy, in December 2008 the Department of the Treasury established the Automotive Industry Financing Program (AIFP) under the Troubled Asset Relief Program (TARP). From December 2008 through March

2009, Treasury has allocated about \$36 billion to this program, including loans to Chrysler Holding LLC (Chrysler) and General Motors (GM).”

INFRASTRUCTURE – TRANSPORTATION – GREEN JOBS

The Future of High Speed Rail, Intercity Passenger Rail, and Amtrak

House Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development – Hearing – April 1, 2009

http://appropriations.house.gov/Subcommittees/sub_tranurb.shtml

Jolene M. Molitoris, Director, Ohio Department of Transportation

Matt Rose, CEO, Burlington Northern Santa Fe Railroad

Susan Fleming, Director, Physical Infrastructure Issues, GAO

Joe Boardman, President and CEO, Amtrak

The Route to Reform: Blueprint for a 21st Century Federal Transportation Program

Transportation for America - May 11, 2009 – 100 pages

http://t4america.org/docs/blueprint_full.pdf

As Congress takes up debate over the federal surface transportation program, Transportation for America (T4 America) calls for the transformative change required to ensure that policies and programs are better aligned to serve the needs of a 21st Century America. It recommends that Congress should not shy away from restructuring the federal surface transportation program and its agencies. This means planning transportation systems and development patterns, to ensure that there are convenient and affordable travel options available to everyone, in every community, at every stage of life.

Josh Bivens, John Irons, and Ethan Pollack

Green Investments and the Labor Market - How Many Jobs Could Be Generated and What Type?

Economic Policy Institute – Issue Brief – April 7, 2009 – 12 pages

http://epi.3cdn.net/3ede40f054b5406d66_q6m6b9ne5.pdf

“In the near-term, there is no more pressing need than job creation: the U.S. economy has lost 5.1 million jobs over the past 15 months. In the longer run, even if the economy approaches full employment, green investments carry the potential to change the type of jobs in the U.S. economy in ways that could help push back against the rising inequality that has characterized most of the past three decades.”

Josh Bivens, John Irons, and Ethan Pollack

Tools for Assessing the Labor Market Impacts of Infrastructure Investment

Economic Policy Institute – Issue Brief – April 7, 2009 – 16 pages

http://epi.3cdn.net/c7673a736f791d5f1e_ifm6bh9ne.pdf

“In the short-run, infrastructure spending is unambiguously effective economic stimulus at a time when the U.S. labor market desperately needs it. In the longer-run, such spending may lean with or against the forces driving inequality in the United States. Knowing which way such spending breaks in terms of its expected effect on inequality gives policy makers the chance to try to correct any expected inequities and to encourage aspects that seem promising in lifting demand for those workers who have seen their wages lag behind overall productivity for a number of years.”

Josh Bivens, John Irons, Ethan Pollack

Transportation Investments and the Labor Market - How Many Jobs Could Be Generated and What Type?

Economic Policy Institute – Issue Brief – April 7, 2009 – 12 pages

http://epi.3cdn.net/c3b007692d5f2d665d_zam6b984i.pdf

“This Issue Brief summarizes some findings on the job impact—both the number and the kinds of jobs created—from investments in transportation infrastructure. In particular, we estimate that each \$100 billion of new infrastructure spending targeted to modernize the American transportation sector would yield approximately \$160 billion in additional economic output, which translates into roughly 1.1 million net new jobs created in the next two years.”

Job Impacts of Spending on Public Transportation: an Update

American Public Transportation Association - April 29, 2009 – 17 pages

http://www.apta.com/research/info/online/documents/jobs_impact.pdf

The report shows that investing in public transportation provides jobs to the American workers who may need them the most. It shows that two-thirds of the jobs created by capital investment in the public transit industry replaces lost blue-collar jobs with “green jobs” in the public transit sector.

AGRICULTURE

Mathew Shane et al.

The 2008/2009 World Economic Crisis: What It Means For U.S. Agriculture

Economic Research Service, U.S. Department of Agriculture - March 30, 2009 – 30 pages

<http://www.ers.usda.gov/Publications/WRS0902/WRS0902.pdf>

“The world economic crisis that began in 2008 has major consequences for U.S. agriculture. The weakening of global demand because of emerging recessions and declining economic growth result in reduced export demand and lower agricultural commodity prices, compared with those in 2008. These, in turn, reduce U.S. farm income and place downward pressures on farm real estate values. So far, the overall impact on U.S. agriculture is not as severe as on the broader U.S. economy because the record-high agricultural exports, prices, and farm income in 2007 and 2008 put U.S. farmers on solid financial ground.”

Steven Deller et al.

Research on the Economic Impact of Cooperatives

University of Wisconsin Center for Cooperatives and U.S. Department of Agriculture - Web posted April 9, 2009 – 76 pages

<http://reic.uwcc.wisc.edu/sites/all/full-report.pdf>

“The report shows that more than 29,000 American cooperatives generate revenues of more than \$654 billion and employ more than 2 million workers. The Department of Agriculture’s Rural Development received a \$1.5 million Congressional appropriation to develop the project in conjunction with the University of Wisconsin-Madison, the National Cooperative Business Association and other private-sector associations.”

EMPLOYMENT

The Social Economic Importance of Full Employment

The Levy Economics Institute of Bard College - April 2009 – 14 pages

http://www.levy.org/pubs/wp_560.pdf

“Unemployment was singled out by John Maynard Keynes as one of the principle faults of capitalism; the other is excessive inequality. Obviously, there is some link between these two faults. If jobs can be provided to the unemployed, inequality and poverty will be reduced, although such policy will not directly address the problem of excessive income at the top of the distribution.”

Elizabeth Kneebone

Job Sprawl Revisited: The Changing Geography of Metropolitan Employment

The Brookings Institution, Metropolitan Policy Program - 24 pages

http://www.brookings.edu/~media/Files/rc/reports/2009/0406_job_sprawl_kneebone/20090406_jobsprawl_kneebone.pdf

“Amid changing economic conditions—expansion, contraction, and recovery—during the late 1990s and early 2000s, employment in metropolitan America steadily decentralized. The spatial distribution of jobs has implications for a range of policy issues—from housing to transportation to economic development—and should be taken into account as metro areas work to achieve more productive, inclusive, and sustainable growth and, in the near term, economic recovery.”

Foreign-Born Workers: Labor Force Characteristics In 2008

Bureau of Labor Statistics, U.S. Department of Labor - March 26, 2009 – 14 pages

<http://www.bls.gov/news.release/pdf/forbrn.pdf>

“The tables compare the labor force characteristics of the foreign born with those of their native-born counterparts. The data on nativity are collected as part of the Current Population Survey (CPS). The foreign born are persons who reside in the United States but who were born outside the country or one of its outlying areas to parents who were not U.S. citizens. The foreign born include legally-admitted immigrants, refugees, temporary residents such as students and temporary workers, and undocumented immigrants.”

Ellen O'Brien and Carlos Figueiredo

19 Million Working-Age Americans Have a Disability That Limits or Prevents Work.

AARP Public Policy Institute - Web posted April 16, 2009 – 6 pages

http://assets.aarp.org/rgcenter/econ/fs153_ssdi.pdf

More than 19 million working age Americans, 10.9 percent of people ages 21 to 64, have a work disability, according to data from the U.S. Census Bureau. People with disabilities are often at a distinct disadvantage in the labor market. A key challenge facing policymakers is how to design public programs, and encourage private employers, to effectively support people with disabilities in their efforts to secure and retain employment and achieve economic self-sufficiency. Programs need to be improved both to provide more timely and adequate assistance to people who cannot work and to provide needed supports to people with disabilities who can work.

Louis S. Jacobson

Strengthening One-Stop Career Centers: Helping More Unemployed Workers Find Jobs and Build Skills

The Brookings Institution - Discussion paper – April 2009 – 37 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/0402_jobs_skills_jacobson/0402_jobs_skills_jacobson.pdf

This paper explores the role that One-Stop Career Centers play in helping the unemployed build new skills and find new jobs. Each year, One-Stops provide about 15 million workers with information about the characteristics of available jobs, strategies to land the best possible new jobs, and the benefits and costs of

enrolling in training programs. Such services help workers rebound from cyclical and structural job loss in ways that foster long-term growth.

John Schmitt

Unionization Substantially Increases the Wages of Service-Sector Workers

Center for Economic and Policy Research - April 7, 2009 – 11 pages

<http://www.cepr.net/documents/publications/unions-service-2009-04.pdf>

“The report uses national data from the Current Population Survey (CPS) to show that unionization raises the wages of the typical service sector worker by 10.1 percent compared to their non-union peers. The report goes on to show that unionization also increases the likelihood that a service sector worker will have health insurance and a pension. It also notes that workers with service jobs benefit as much from unionization as workers with manufacturing jobs.”

Equal Pay for Equal Work? New Evidence on the Persistence of the Gender Pay Gap

U.S. Congress Joint Economic Committee – Hearing – April 28, 2009

http://jec.senate.gov/index.cfm?FuseAction=Hearings.HearingsCalendar&ContentRecord_id=cf433c8d-5056-8059-76c9-af59a1aa3b35&Region_id=&Issue_id=

“On Equal Pay Day, the JEC focused on GAO’s newly released report examining the gender pay gap in the federal government. Experts discussed new evidence in light of continuing disparities between men’s and women’s pay, a fact that hits many families particularly hard during these tough economic times. Witnesses also commented on the need for additional federal action to combat the gender pay gap. This hearing continues Chair Maloney’s commitment to highlighting economic and work-life balance issues facing women.”

PENSIONS

Eric Toder

Taxation of Saving for Retirement: Current Rules and Alternative Reform Approaches

Tax Policy Center, Urban Institute and Brookings Institution – April 1, 2009 – 22 pages

http://www.urban.org/UploadedPDF/411865_toder_australia.pdf

“Most advanced countries exempt returns to retirement saving from income tax, but private saving rates are falling and many people are saving too little for retirement, according to the report. There is a trade-off between the goals of promoting wide participation in retirement saving plans and allowing more choice to employees. In the United States, purely employer funded plans have been replaced by plans that rely more on voluntary employee contributions, while private saving has declined.”

Monique Morrissey and Emily Garr

Working the Graveyard Shift - Why raising the Social Security retirement age is not the answer

Economic Policy Institute – Briefing Paper No.232 – May 5, 2009 – 21 pages

http://epi.3cdn.net/65bf2e24d59cf56166_dym6ive5s.pdf

“Raising the earliest eligibility age may *seem* to be a solution to the problem of inadequate retirement incomes. Delaying retirement would increase early retirees’ monthly benefits while keeping lifetime benefits the same. However, raising the early retirement age would disproportionately hurt lower-income workers and minorities, many of whom have little choice but to stop working in their early 60s due to poor health and job prospects. Furthermore, it would do nothing to improve the system’s finances because it does not change retirees’ lifetime benefits.”

HEALTH ECONOMIC ISSUES

The Costs of Inaction: The Urgent Need for Health Reform. U.S.

Department of Health and Human Reform - March 2009 – 7 pages

<http://www.healthreform.gov/reports/inaction/inactionreportprintmarch2009.pdf>

“Americans across the country are demanding comprehensive health reform and cannot afford to wait any longer, according to the study. More and more Americans find themselves uninsured. Those Americans fortunate enough to have health insurance often don’t get the quality care they need and deserve. The study highlights the flaws in the health care system and demonstrates the cost of maintaining the status quo.”

Americans Support Protecting Social Security Benefits: Findings of NCPSSM Survey

National Committee to Preserve Social Security and Medicare - April 2, 2009 – 5 pages

http://www.ncpssm.org/pdf/poll_results_33109.pdf

“A new survey shows America’s baby boomers support protecting Social Security benefits for both current and future generations. The survey questioned Americans 45 years and older and found that when given a menu of options for funding Social Security, the most popular choice among the 45-63 year old baby boomers was raising the wage base (currently \$106,800) on which Americans pay payroll taxes (36%) and the least popular was reducing benefits (6%). “

Devon Herrick

The Folly of Health Insurance Mandates

National Center for Policy Analysis - Brief Analysis No. 652 - April 9, 2009 – 2 pages

<http://www.ncpa.org/pdfs/ba652.pdf>

“Many of the nearly 46 million uninsured say they are unable to afford health insurance. Advocates of various state regulations claim their proposals would make health coverage more affordable. These regulations include mandates that employers offer their employees health insurance or that individuals obtain health coverage, and requirements that health plans and insurers cover specified benefits or accept anyone who applies for insurance. However, rather than make coverage more affordable, these regulations drive up the cost of insurance.”

David M. Cutler

Health System Modernization Will Reduce the Deficit

Center for American Progress – Report – 9 pages

http://www.americanprogressaction.org/issues/2009/05/pdf/health_modernization.pdf

“Health care currently accounts for 16 percent of GDP, and that share is forecast to nearly double in the next quarter century. Spending money on health care is not bad, but wasting money is. Estimates suggest that a third or more of medical spending—perhaps \$700 billion per year—is not known to be worth the cost.”

Financing Comprehensive Health Care Reform

U.S. Senate Committee on Finance – Roundtable – May 12, 2009

<http://finance.senate.gov/sitepages/hearing051209.html>

“Americans already spend \$4½ million on health care every minute of every day. That’s \$2½ trillion a year. Without reform, over the next 10 years, America will spend more than \$33 trillion on health care.

The Federal government alone spends nearly \$700 billion a year on Medicare and Medicaid. The costs of health care are high — for families, businesses, and the Federal government alike. To make the system more affordable and provide coverage to all, we need to look at where we spend money on health care today. And when it comes to the government, we need to look at both spending and tax expenditures.”

Andrew J. Rettenmaier and Zijun Wang

The Role of Health Care Spending in Projecting Federal Elderly Entitlement Spending

National Center for Policy Analysis – Special publication - April 23, 2009 – 28 pages

http://www.ncpa.org/pdfs/The_Role_of_Health_Care_Spend_Project.pdf

Spending on Medicare and Social Security is expected to grow considerably in coming years, commanding an increasing share of the nation's output. This study begins by comparing the long-run forecasts for Medicare and Social Security made by the Congressional Budget Office (CBO) and the forecasts presented in the respective trustees' reports.

Marilyn Moon

Lessons from Medicare for Health Care Reform

Center for American Progress Action Fund – Report - April 2, 2009 – 14 pages

http://zedc4test.techprogress.org/issues/2009/04/pdf/medicare_lessons.pdf

“Medicare has operated successfully for over 40 years by offering essentially universal coverage to people 65 and over. The program covers some of the sickest and frailest of the U.S. population, along with a substantial number of disabled Americans. While Medicare provides an example of a universal, public health insurance program, health care reform will likely take the form of a system offering the choice of multiple private—and perhaps a public—health insurance plans. Nonetheless, Medicare’s experience offers a number of key lessons—both positive and negative—that can help in the development of affordable health coverage for all Americans.”

Health Reform in the 21st Century: Employer Sponsored Insurance

U.S. House of Representatives, Committee on Ways and Means – Hearing – April 29, 2009

<http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=675>

Elise Gould, Ph.D., M.P.Aff., Director of Health Policy Research, Economic Policy Institute J. Randall MacDonald, Senior Vice President for Human Resources, IBM Corporation
Kelly Conklin Owner, Foley-Waite Associates, Bloomfield, New Jersey
Denny Dennis, Senior Research Fellow, NFIB Research Foundation
John Sheils, Senior Vice President, the Lewin Group, Falls Church, Virginia
Gerald Shea, Special Assistant to the President, AFL-CIO

FAMILIES AND HOUSEHOLDS

Julia B. Isaacs, Paul Johnson, Adam Kent, Jennifer Macomber, Tracy Vericker

Federal Expenditures on Infants and Toddlers in 2007

The Brookings Institution – April 2009 – 34 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/04_infants_toddlers_isaacs/04_infants_toddlers_isaacs.pdf

“Research suggests that investing in young children can help build a strong future workforce, improve children’s educational success and health, and potentially reduce some of the social ills that drain the nation’s resources and will. To have an informed conversation about future investments, it is important to start from an

understanding of the baseline: What investments does this nation currently make in young children? Which programs and purposes are currently supported by federal investments, and which are not?”

William T. Dickens, Charles Baschnagel

The Fiscal Effects of Investing in High-Quality Preschool Programs

The Brookings Institution – April 2009 - 8 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/04_preschool_programs_dickens/04_preschool_programs_dickens.pdf

Randomized treatment-control experiments suggest large returns to investments in prekindergarten education. Several studies consider the social benefits of such investments, but none have considered the full potential gains to government budgets. This paper estimates of the effects of two model programs in a growth model of the U.S. economy and finds that both programs would eventually reap a positive return for government budgets if policymakers were sufficiently patient.

INTERNATIONAL TRADE

Daniel J. Ikenson, Scott Lincicome

Audaciously Hopeful - How President Obama Can Help Restore the Pro-Trade Consensus

CATO Institute – Trade Policy Analysis - April 28, 2009 – 40 pages

<http://www.freetrade.org/files/pubs/pas/tpa-039.pdf>

“Trade has been a crucial component of U.S. and world economic growth for over six decades. But during the past decade — and particularly in the last few years — trade policy has become partisan, rancorous, and divisive. In a new study, Cato scholar Daniel Ikenson and international trade attorney Scott Lincicome suggest that restoring the pro-trade consensus must be a priority of the Obama administration.”

2009 National Trade Estimate Report on Foreign Trade Barriers

U.S. Trade Representative – Report - Web posted April 11, 2009

http://www.ustr.gov/Document_Library/Reports_Publications/2009/2009_National_Trade_Estimate_Report_on_Foreign_Trade_Barriers/Section_Index.html

“The report surveys significant foreign barriers to U.S. exports. The report provides, where feasible, quantitative estimates of the impact of these foreign practices on the value of U.S. exports. Information is also included on actions taken to eliminate barriers.”

2009 Special 301 Report

Office of the United States Trade Representative - April 30, 2009 – 44 pages

http://www.ustr.gov/assets/Document_Library/Reports_Publications/2009/2009_Special_301_Report/asset_upload_file500_15612.pdf

“The “Special 301” Report reports on the adequacy and effectiveness of intellectual property rights (IPR) protection by U.S. trading partners. Canada is being elevated to the Priority Watch List for the first time, reflecting increasing concern about the continuing need for copyright reform, as well as continuing concern about weak border enforcement. Korea is being removed from the Watch List in recognition of the significant improvements it has made during the past year, and the Korean Government’s policy direction of continuing to place a priority on improving its IPR regime.”

The Anti-Counterfeiting Trade Agreement - Summary of Key Elements under Discussion

Office of the U.S. Trade Representatives - April 6, 2009 - 6 pages

http://www.ustr.gov/assets/Document_Library/Fact_Sheets/2009/asset_upload_file917_15546.pdf

The proliferation of counterfeit and pirated goods in international trade poses an ever-increasing threat to the sustainable development of the world economy. Trade in these goods causes significant financial losses for the right holders and legitimate businesses. In 2006, Japan and the United States launched the idea of a new plurilateral treaty to help in the fight against counterfeiting and piracy, the so-called Anti-Counterfeiting Trade Agreement (ACTA). This paper reports a detailed summary of the current state of the negotiations, and reflects the Obama Administration's commitment to transparency

Investment Protections in U.S. Trade and Investment Agreements

U.S. House Committee on Ways and Means, Subcommittee on Trade – Hearing – May 14th, 2009

<http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=678>

“This hearing will focus on the investment protections that are included in U.S bilateral investment treaties (BITs) and free trade agreements (FTAs). Those provisions have helped to safeguard investments held by U.S. citizens in dozens of foreign countries and protect U.S. investors from expropriation without compensation, as well as discriminatory and inequitable treatment by foreign governments.”

Chad P. Bown

Protectionism Increases and Spreads: Global Use of Trade Remedies Rises by 18.8% in First Quarter 2009

The Brookings Institution – May 11, 2009 – 11 pages

http://people.brandeis.edu/~cbown/global_ad/monitoring/2009-05-11-Bown-GAD-Monitoring.pdf

“This study tracks the combined use of these trade policies indicates a continued increase in protectionist resort to these import barriers in the first quarter 2009. The first quarter 2009 increase is above and beyond the sharp increase that began in 2008 with the spread of the global economic crisis.”

Matthew Adler and Gary Clyde Hufbauer

Policy Liberalization and US Merchandise Trade Growth, 1980–2006

Peterson Institute for International Economics – Working paper – May 2009 – 129 pages

<http://www.piie.com/publications/wp/wp09-2.pdf>

“This working paper draws on historical and contemporary data on tariffs, nontariff barriers, and transportation costs (for the United States and its major trading partners) to estimate the role of policy liberalization in US merchandise trade growth over the period 1980 to 2006.”

James K. Jackson

U.S. Trade Deficit and the Impact of Changing Oil Prices

Congressional Research Service Report – April 15 – 10 pages

<http://ncseonline.org/nle/crsreports/09Mar/RS22204.pdf>

“Petroleum prices have continued to rise sharply in 2008, at one time reaching more than \$140 per barrel of crude oil. At the same time the average monthly volume of imports of energy-related petroleum products has fallen slightly. The combination of sharply rising prices and a slightly lower level of imports of energy-related petroleum products translates into an escalating cost for those imports. This rising cost added an estimated \$50 billion to the nation's trade deficit in 2006 and another \$28 billion in 2007.”

Results of the 2009 Section 1377 Review of Telecommunications Trade Agreements

Office of the U.S. Trade Representative - Web posted April 27, 2009 -20 pages

http://www.ustr.gov/assets/Document_Library/Reports_Publications/2009/asset_upload_file421_15544.pdf

“The review addresses fixed and mobile call termination rates, problems with major suppliers, transparency and regulatory independence, and failure to update World Trade Organization (WTO) commitments.”

Gary Clyde Hufbauer, Steve Charnovitz, and Jisun Kim

Global Warming and the World Trading System

Peterson Institute of International Economics - March 2009

<http://bookstore.petersoninstitute.org/book-store/4280.html>

“Hufbauer, Charnovitz, and Kim examine whether the climate policy options policymakers are contemplating are compatible with core principles of the world trading system as set forth in the decisions of the General Agreement on Tariffs and Trade (GATT), the World Trade Organization (WTO), and its Appellate Body. They argue that both import-restrictive measures and export subsidies in the climate bills being considered by Congress stand a fair chance of being challenged in the WTO.”

MISCELLANEOUS

David Balto

Restoring Trust in Antitrust Enforcement - A Progressive Vision for the Antitrust Division of the Justice Department

Center for American Progress – Report - May 11, 2009 - 26 pages

http://www.americanprogress.org/issues/2009/05/pdf/balto_antitrust.pdf

« The Antitrust Division under the Obama administration must address several key challenges to restore the balance between healthy market competition and antitrust enforcement. This paper details why this balance is necessary to restore competition and promote economic recovery.”

Jamie M. Zimmerman

Savings-Linked Conditional Cash Transfers: A New Policy Approach to Global Poverty Reduction

New America Foundation – Issue Brief - April 20, 2009 – 28 pages

http://www.newamerica.net/files/NAF_CCT_Savings_April09_Final.pdf

“This policy brief makes the case for linking conditional cash transfers to savings as a two-pronged poverty reduction strategy of supplementing income and building productive assets, while increasing effective financial inclusion of a given population. While conditional cash transfer (CCT) programs and policies have proven effective in achieving certain poverty alleviation goals, such as better health and education, only recently have we begun to explore the potential of CCTs to enhance economic inclusion and poverty reduction through wealth accumulation.”